(c) whether Government are formulating any code for the disposal of complaints at a specified time, and if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) The Ministry of Company Affairs has set up an Investor Protection Cell at the Headquarter and nominated nodal officers in each of the field offices of Regional Directors and Registrar of Companies (ROC) to address the complaints of small shareholders. The Ministry promptly undertakes the disposal of such complaints through the jurisdictional ROC for taking up the matter with the company in question and initiate legal action wherever warranted.

(b) During the last three years, 31603 complaints were received out of which 14404 were disposed off. The process for redressal of grievances is taken up instantaneously with the companies and followed up by way of reminders, wherever required. Though the Companies Act 1956 does not prescribe any time limit within which such complaints should be redressed, efforts are made to redress the grievances expeditiously.

(c) The government has taken following steps in this regard:

(i) A new system for on line lodging of complaints by investors and depositors has been jointly developed by the Ministry and the National Informatics Center and released on 11 -01-2005 on the website of Ministry of Company Affairs (http://dca.nic.in). The new system facilitates investors and depositors to electronically lodge their complaints with the Investor Protection Cell without the requirement of sending their grievances in writing through post. The system issues complaint number as acknowledgement online for future reference.

(ii) An investor Education and Protection Fund has been set up under section 205C of Companies Act 1956 for promotion of investor awareness, education and protection of interest of investors.

Denial of loans to MPs by some Banks

*298. SHRI MUKHTAR ABBAS NAQVI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that some public and private sector banks are not extending various loan facilities to Members of Parliament despite their completing all the required formalities;

(b) whether such banks have their own rules relating to grant of various loans to MPs or Government have issued any such instructions to these banks in this regard;

(c) if so, the details of such instructions; and

(d) if not, what action Government propose to take in this matter?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No specific instance has been brought to the notice of the Government.

(b) and (c) RBI has advised the Banks to prepare well defined Loan Policy and Loan Recovery Policy approved by their Board of Directors. The Loan Policy is required to lay down exposure limit to individuals/ Group of borrowers, documentation standards, sectoral exposure limits, delegation of powers including power for write offs and review procedure, maturity and pricing policy, factors taken into consideration for deciding interest rates above the floor rate, etc. Bank Officials are expected to act within their Loan/Recovery Policy. The loan applications are processed by the Banks based on pre-defined criteria and there is no discrimination based on profession of prospective customers/borrowers.

(d) Does not arise.

Perks and Pay to Actuaries working with LIC

*299. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the LIC is facing the threat of poaching of its actuaries by rival private players in Insurance Sector;

(b) if so, whether LIC plans to introduce additional perks and pay to actuaries working with it; and

(c) whether the LIC alongwith GIC proposes to set up its-own actuarial training institute, to ensure availability of fellows of the society on service bond?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) LIC has informed that it has been experiencing attrition in its cadre of Actuaries after the opening up of Insurance Sector;

(b) LIC has already introduced a scheme of incentives for those who are actuarially qualified and doing related jobs.

(c) No, Sir.